The State Bank of Saurashtra (Repeal) and the State Bank of India (Subsidiary Banks) Amendment Bill, 2009

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Sir, on behalf of my senior colleague, Shri Pranab Mukherjee, I beg to move:

That the Bill to repeal the State Bank of Saurashtra Act, 1950 and further to amend the State Bank of India (Subsidiary Banks) Act, 1959, as passed by Lok Sabha, be taken into consideration.

Sir, the State Bank of Saurashtra (Repeal) and the State Bank of India (Subsidiary Banks) Amendment Bill, 2009 was introduced in the Lok Sabha on 4th December, 2009 to repeal the State Bank of Saurashtra Act, 1950 and to make consequential amendments in the State Bank of India (Subsidiary Banks) Act, 1959. All shares of the Bank of Saurashtra vest in the State Bank of India.

In view of the recent developments in the international banking scenario and for the better functioning, the State Bank of India had, with the sanction of the Central Government and in consultation with the Reserve Bank of India, entered into negotiations for acquiring the business including the assets and liabilities of the State Bank of Saurashtra. Accordingly, the acquisition of the State Bank of Saurashtra Order, 2008, was published in the Gazette of India on 13th August, 2008. After the acquisition of the State Bank of Saurashtra by the State Bank of India, the State Bank of Saurashtra ceased to exist and, therefore, it is necessary to repeal the State Bank of Saurashtra Act, 1950 and to make consequential amendments in the State Bank of India (Subsidiary Banks) Act, 1959.

The question was proposed.

श्री विजय कुमार रूपाणी (गुजरात) : माननीय उपसभाध्यक्ष महोदय, आपको बहुत-बहुत धन्यवाद कि आपने मुझे इस अवसर पर बोलने का मौका दिया। मैं सौराष्ट्र का ही रहने वाला हूं। आज बैंक के 50 साल के बाद बैंक ऑफ सौराष्ट्र खत्म हो गई और स्टेट बैंक ऑफ इंडिया में merge हो गई 50 साल यानी स्वर्ण जयंती में आपकी ओर से सौराष्ट्र को यह तोहफा मिला है, इसके लिए हमें खेद है। स्टेट बैंक ऑफ सौराष्ट्र अधिनियम 1950 का निरसन करने के लिए भारतीय स्टेट बैंक अधिनियम 1959 का संशोधन करने वाले विधेयक पर सौराष्ट्र की जनता की ओर से यह बात मैं सदन में रख रहा हूं। पहले तो आपने इसे merge कर दिया और इसके बाद आप यह बिल दोनों सभा में ला रहे हैं, यह ठीक नहीं है। अगर merger करने से पहले सभा की अनुमति ली गई होती, तो अच्छा रहता, लेकिन अब merger हो गया है और उसके बाद हम बहस कर रहे हैं। इसलिए इसमें बड़ा संदेह होता है। वास्तव में merger का कोई विरोध नहीं है, लेकिन जिस तरीके से आप merger कर रहे हैं, उससे आपकी नीयत पर शंका हो रही है कि आने वाले दिनों में आप और भी बैंकों का merger करेंगे और आप धीरे-धीरे सभी बैंकों को खत्म करके स्टेट बैंक ऑफ इंडिया को एक बड़ी बैंक बनाने जा रहे हैं। मैं आपका ध्यान इस ओर केन्द्रित करता हूं कि 21 नवम्बर को "दैनिक जागरण" में "एसबीआई में बैंकों के विलय पर ब्रेक" शीर्षक से समाचार प्रकाशित किया गया था और भारतीय स्टेट बैंक में अन्य 5 बैंकों, स्टेट बैंक ऑफ हैदराबाद, स्टेट बैंक ऑफ बीकानेर एंड जयपुर, स्टेट बैंक ऑफ मैसूर, स्टेट बैंक ऑफ त्रावणकोर के विलय करने पर सरकार ने ब्रेक लगा दी, ऐसी न्यूज आ गई। आपने स्टेट बैंक ऑफ सौराष्ट्र का विलय कर दिया। इसमें स्टेट बैंक ऑफ इंडिया के चेयरमैन ओ.पी. भट्ट का भी हवाला

दिया गया। इंडियन एक्सप्रेस में 20 जून को यह समाचार प्रकाशित हुआ था कि स्टेट बैंक ऑफ इंदौर के भारतीय स्टेट बैंक में विलय की प्रक्रिया को सरकारी तौर पर मंजूरी दे दी गई है। यह समाचार भी एसबीआई के चेयरमैन ओ.पी. भट्ट के हवाले से प्रकाशित हुआ। इन बैंकों का विलय करने में सरकार की कौन सी मजबूरी है और किस दबाव के अन्तर्गत ऐसा किया जा रहा है, जिसका फायदा निजी बैंकों को हो रहा है? क्या सरकार ने बैंकों के मुनाफे और घाटे के अलावा बैंकों के कर्मचारियों के हितों की रक्षा के लिए भी इसके गम्भीर परिणामों का अवलोकन किया है?

महोदय, स्टेट बैंक ऑफ सौराष्ट्र, सौराष्ट्र के कच्छ क्षेत्र में एक लीड बैंक थी। ग्रामीण क्षेत्रों में इसकी 460 ब्रांचेज चल रही थीं और इस बैंक में 15,804 करोड़ की पूंजी थी। यानी वित्तीय संस्था में यह एक ऐसी बैंक थी, जिसमें बैंक का कोई घपला या बैंक की कोई मजबूरी यानी बैंक नहीं चल रही थी, ऐसी कोई बात नहीं थी। यह बहुत बड़ी बैंक थी। करीब 4 लाख से ज्यादा लोग उसमें खातेदार थे और सर्वाधिक शाखाएं किसानों के ऋण अदायगी, सरकारी राजस्व के विनिमय, पेंशनभोगियों से जुड़ी थीं और स्वरोज़गार हेतु दी जा रही वित्तीय सहायता में उसकी भूमिका सर्वाधिक प्रमुख और लोकप्रिय रही है।

महोदय, मैं मानता हूं कि स्टेट बैंक ऑफ सौराष्ट्र को भारतीय स्टेट बैंक में विलय कर दिया गया, जिसके परिणामस्वरूप उसके अस्तित्व पर काफी हद तक विपरीत प्रभाव पड़ा है। वर्षों से ग्रामीण अंचल के लोगों के मनों में जिसकी पहचान अपना बैंक, मेरा बैंक, ग्रामीण बैंक, गरीबों का बैंक इत्यादि रूपों में थी, लेकिन अब वह पहचान स्टेट बैंक ऑफ इंडिया की पहचान बन गई है। कॉर्पोरेट जगत एवं साहूकारों के बैंक के साथ उसके जोड़े जाने के कारण लोगों के मन की आत्मीयता पर कुठाराघात हुआ है। इसके कारण सौराष्ट्र के लोगों का इस बैंक के साथ अटैचमेंट खत्म हो गया है, ऐसा मेरा मानना है।

दूसरी बात यह है कि विलय के बाद स्टेट बैंक ऑफ सौराष्ट्र के ग्राहकों के साथ भारतीय स्टेट बैंक के द्वारा भेद-भावपूर्ण रवैया अपनाया जा रहा है। स्टेट बैंक ऑफ सौराष्ट्र के अधिकारियों एवं कर्मचारियों के साथ भी भेद-भावपूर्ण रवैया अपनया ज रहा है और उनके साथ सैकेंड कैटेगरी के कर्मचारियों जैसा भेद-भाव किया जा रहा है। इसलिए मेरी यह मांग है कि स्टेट बैंक ऑफ इंडिया के जो अधिकारी हैं, जैसे डिवीज़नल मैनेजर इत्यादि हैं, यह जिम्मेवारी उनको दी जाए, ताकि स्टेट बैंक ऑफ सौराष्ट्र के लोगों, अधिकारियों एवं कर्मचारियों को ऐसा लगे कि हम स्टेट बैंक ऑफ इंडिया में गए, तो हमारे साथ भेद-भावपूर्ण व्यवहार नहीं हुआ। वहां पर इस प्रकार का माहौल पैदा करना पड़ेगा, ताकि उन्हें भी लगे कि वहां पर हमें समान दर्जा दिया जा रहा है।

एक निवेदन मैं विशेष रूप से किसानों, बेरोज़गारों, पेंशन-भोगियों, विधवाओं के संबंध में कहना चाहूंगा। इन सबको सरकारी वित्त विनिमय एवं बाकी जो सुविधाएं मिल रही थीं, वैसी ही सुविधाएं आगे भी जारी रहें। भारतीय स्टेट बैंक को यह भी करना होगा कि ग्रामीण क्षेत्र में एक भी बैंक बंद न किया जाए। ग्रामीण बैंक के नाते सौराष्ट्र में इस बैंक का जो परिचय पहले था, वह परिचय अब चालू रहे, ऐसा मेरा निवेदन है।

आज Global Environment के कारण ही आप यह सब कर रहे हैं। विश्व स्तर पर Big Bank के equivalent हमारे देश का भी एक बिग बैंक होना चाहिए, आपका रवैया ऐसा है। इस संबंध में मेरा मानना यह है कि अभी पूरी दुनिया के सभी बैंकों के मुकाबले में हमारा स्टेट बैंक ऑफ इंडिया 64वें नम्बर पर आता है। अगर आप ये सब बैंक इसमें जोड़ भी देंगे, तो मैं मानता हूं कि 64वें नम्बर से घट कर वह 50वें या 55वें नम्बर पर पहुंच जाएगा, लेकिन

इससे भी कोई फायदा होने वाला नहीं है। हम जिस International Competition में जा रहे हैं, इससे हमारे स्थान में कोई खास फर्क पड़ने वाला नहीं है।

पिछले वर्ष अमरीका में आई मंदी के कारण जो कुछ हुआ, उसमें वहां के कई बिग बैंक जैसे Lehman Brothers, AIG, Merrill Lynch, Fannie Mae, Freddie Mac, Bear Stearns इत्यादि बंद हो गए हैं। वहां पर ये सब बैंक घाटे में चले गए और demolish हो गए, जिसके कारण वहां पर बहुत सारी समस्याएं बढ़ गईं। आज अगर हम State Bank of India को बड़ा बैंक बना रहे हैं, आने वाले समय में अगर हमारे देश में भी ऐसा कुछ हुआ और बैंक घाटे में चला गया तो उसे हमारी इकोनॉमी झेल नहीं पाएगी, सहन नहीं कर पाएगी। इसलिए स्टेट बैंक ऑफ इंडिया को बड़ा बैंक बनाने की हमारी जो चेष्टा है, मैं मानता हूं कि इसके संबंध में अभी हमें बहुत कुछ सोचना पड़ेगा।

पिछले वर्ष विश्व में आई मंदी को देखते हुए आज जो हम बड़े बैंक की कल्पना कर रहे हैं, मुझे लगता है कि हमें इससे सावधान भी रहना चाहिए। ऐसा न हो कि इससे हमारी इकोनॉमी भी खतरे में पड़ जाए। मुझे खास तौर पर एक संदेह यह भी है कि जहां एक-एक बैंक करके सबको मर्ज किया जा रहा है, जैसे मैंने बताया कि स्टेट बैंक ऑफ मैसूर, स्टेट बैंक ऑफ त्रावणकोर, स्टेट बैंक ऑफ इन्दौर, स्टेट बैंक ऑफ आन्ध्रा, स्टेट बैंक ऑफ पंजाब इत्यादि के बाद अब धीरे-धीरे आप नैशनलाइज़ बैंकों की श्रृंखला में अन्य बैंकों को भी मर्ज कर रहे हैं, मुझे इस संबंध में भी संदेह है। इसके बारे में भी आपको स्पष्ट बताना चाहिए। बैंक कर्मचारियों में भी इस बात को लेकर बहुत भय है।

यह केवल एक स्टेट बैंक ऑफ सौराष्ट्र का मामला नहीं है, इससे बाकी के सब बैंकों में भी संदेह उत्पन्न हो गया है। सरकार को इसे भी क्लीयर करना चाहिए। मैं निवेदन करता हूं कि इस बैंक के साथ हमारे यहां पर जो क्षेत्रीय अटैचमेंट है, उस भावना को भी ध्यान में रखा जाएगा और आने वाले दिनों में स्टेट बैंक ऑफ इंडिया इस बात का भी ध्यान रखेगा तो बहुत अच्छा होगा। धन्यवाद।

SHRI PENUMALLI MADHU (Andhra Pradesh): Sir, the merger of banks in India was recommended by the Narasimham Committee in 1993. The recommendations were broadly based on the experience of the United States of America. The present deep financial crisis in the United States of America and Europe put a big question mark on the desirability of such policies. The myth of 'big is better' has exploded with the failure of giant-sized financial institutions like Lehmann Brothers, AIG, Merrill Lynch, etc. The bigger is the institution, the higher is the risk of failure and huge could be its impact on the economy. Nations of the world have reportedly spent over US$ 3 trillion to salvage the financial sector so far, which is three times bigger than India's GDP. Whether India would have similar financial sector policies is the question today. There is a need to evolve our own banking policies which suit our nation's needs and interests. For our country, financial enclosure and expanding banking services to vast rural areas has to be the priority. Policy of subsidiary banks' merger needs a review in the current scenario since all subsidiary banks are showing continuous business growth, earning profits and carrying regional developmental responsibilities. Sir, the merger of Saurashtra Bank with the State Bank of India is the first of its kind. There are proposals of merging the State

Bank of Travancore, State Bank of Patiala, State Bank of Indore, State Bank of Bikaner and Jaipur, State Bank of Mysore and State Bank of Hyderabad. Sir, we are opposed to any kind of merger in the banking sector. We urge upon the Government to take the experience of the recent past and see that these merger policies are reviewed. With these words, I conclude and thank you.

SHRI RAMA CHANDRA KHUNTIA (Orissa): Sir, I rise to support the State Bank of Saurashtra (Repeal) and the State Bank of India (Subsidiary Banks) Amendment Bill, 2009 placed here in this House. I support this Bill because this merger, as it has been said here by some of the Members, is for the betterment of the people, for the betterment of the workers and also in the interest of the country as a whole. As we all know, today Indian economy is surviving because our economy is mostly controlled by the Government. In other countries, the economy collapsed because many banks were private banks which could not sustain. So, the economy collapsed. Now, in this era, not only in the banking sector, but in many other areas also, private sector and public sector companies are merging. Consolidation and strengthening of the financial sector is also a priority in our country. Merging of various banks is an ongoing process. In our country, from 1961 to this date, around 79 banks have been merged. After 1969 also, when the then Prime Minister, Shrimati Indira Gandhi, nationalised important private banks, 33 banks had been merged till 1998. In 1998, the Second Narasimhan Committee Report suggested merger of banks and consolidation of financial sector. Even the IBA Working Group supported the consolidation of the financial sector by merging various banks. When we look back, we find that the *grameen* bank was the brainchild of the then Prime Minister Shrimati Indira Gandhi, so that the loan can flow to the rural poor in the rural areas. It was created at that time. The number of such *grameen* banks, which were working in various parts of the country, was 196. These banks have been merged; and their number has come down to 82. These 82 banks, as I have been informed, are working very well in the rural areas without affecting the interests of the workers, without affecting the interests of the poor labourers in the rural areas and the people who are involved with these banks. There is no problem. All these banks are working very well in the rural areas. If there is privatisation, that is a different issue. But when it comes to this merger of bank with the State Bank of India, I think whether it is a farmer or a loan seeker or a worker or general public, all should be happy. When it is being merged with the State Bank of India, which is a very reliable and secure bank, every interest group will be equally benefited. There is no danger of losing anything. While merging banks, the Government of India should also see that the interests of the people are protected. When a grameen bank or the Saurashtra Bank is being merged, are its employees and officers affected? I don't think so. Because the employees and officers of the State

Bank of India are getting more benefits than its subsidiaries. It is the case with not just the State Bank of India but with other banks also. When a subsidiary bank merges with the State Bank of India, I believe the Government and the Minister would assure us in the House that the workers' interest will be protected; their salary and all other benefits which they are getting they will continue to get; and if it is more than what they were getting in the subsidiary bank, then also they should get it. In some cases, there may be some problem. But these problems should be looked after by the Government. Sometimes three or four grameen banks are merged into one. I have seen this happening in West Bengal, Uttar Pradesh, and Bihar. As per the rules, a bank employee could be transferred to an area which is in the radius of 100 km. When three grameen banks merge together and if the area where their employees are transferred is beyond the radius of 100 km, then it causes difficulty to the employees. So, whether it is the merger of the Saurashtra Bank or the merger of grameen banks, this difficulty should also be taken into consideration.

Sir, while speaking on this issue, I want to raise an issue which is related with the employees and officers of the grameen banks and other banks also. Now our bank employees and officers are getting pension. We are thankful to the Government for this. As on today around 50 per cent of bank officers and employees were not getting pension. Now the IBA and the Government have agreed and all employees and officers of the nationalised banks have been given the assurance that they would get pension from 2009. Accordingly, the agreement has been signed with all of them. Now the question is that the employees and officers of the grameen banks are also doing the same work in the rural areas, but they are not getting pension.

Of course, there is a direction by the hon. Supreme Court to give salary, pension, all allowances and benefit to the employees of Grameen Banks. But, till today, they have got the salary but not other benefits and pension. When the Government has taken a decision to give pension facilities to all bank employees including the nationalised bank employees, giving pension to employees of Grameen Banks should also be taken into consideration. There are about 76000 employees working in Grameen Banks. They should also be given this facility.

Secondly, Sir, you will be surprised to know that employees of Grameen Banks are getting provident fund deduction only up to Rs.6500 which is limited and because of which they are getting less benefit. I do not understand why. All the nationalised bank employees and officers are getting the benefit up to Rs.10000. Even contract labour or manual labour or any worker as per the statute can get a deduction up to Rs.10000. Why are the employees and officers of Grameen Banks kept at the level of Rs.6500? Seventy six thousand persons are suffering for that. I request the Government, through you, to consider that and see that the ceiling is waived and the employees of Grameen Banks should also get the benefit.

Sir, I again come back to the State Bank of India. The State Bank of India is really a very big organisation. I think, they earned a profit of Rs.10000 crore last year and are doing very well. But, there is also discontentment among the officers and employees of the State Bank. When the agreement is signed, everybody is getting pension, and 17-point salary revision is a very good thing. I congratulate the IBA and the employees' organisations to have agreed to the agreement. But, the only thing is, there is also discontentment among the 2.50 lakh officers and employees of the State Bank. The officers and employees of the State Bank are getting pension from 200 years. Now, the employees and officers of other banks will get pension as a result of this agreement. But, there will be a deduction from their salary enhancement for the pension fund. Sir, they are already getting pension since 200 years. In 1993, when there was a pension scheme introduced for the nationalised banks, some additional benefits were given to the officers and employees of the State Bank. They have appealed to the Government. I also request the Government, through you, to consider that because the State Bank is playing a very important role in our economy.

Sir, with these words, I do believe that merger of Saurashtra Bank with the State Bank of India will be in the interest of the workers, officers and rural poor, and they will have a secure contact with the State Bank of India which was earlier with Saurashtra Bank. Since nobody is affected, rather workers, officers and rural poor will be benefited by the merger, I support the Bill. I think, the Government has taken the right decision by merging the Saurashtra Bank with the State Bank of India. Thank you, Sir.

SHRI TAPAN KUMAR SEN (West Bengal): Sir, I have been listening very attentively to what my friend spoke just now. Shri Rama Chandra Khuntia is also my trade union colleague. Sir, I stand to oppose this particular Bill although I know that this Bill is a consequential Bill. The basic job of merger is done by an earlier legislation. The Bank of Saurashtra was merged with the State Bank of India. We oppose this merger seriously. So far as benefits to employees are concerned, a colourful picture is sought to be painted. 1 think, that is not a fact. The Bank of Saurashtra Employees and Officers Association is agitating over these issues. A serious anomaly is there between the service conditions of the Bank of Saurashtra and the State Bank of India.

The employees of the State Bank of India are getting altogether a pension scheme like a third retirement benefit. It is denied to those employees who will be absorbed from the State Bank of Saurashtra to the State Bank of India after the merger. This is a fact of life. So, I think, when we speak, we must know fully what all the developments are. But this is not the issue. The employees are not the only factor in the banking system. It involves the whole national economy, and the whole

bank workforce today of all shades, of all colours, right from this side to that side of trade unions in the bank. They are jointly and unitedly opposing seriously this move of merger operation, and the matter that is being argued upon that in today's financial world, merger is for economic consolidation, and consolidation is always welcome.

This is not the fact in case of country's banking sector. This is not the fact in the matter of expanding the banking network in a country where a major section of people are not linked by banks. They do not have access to banks. This is a reality, and in such a situation, the whole aspect of consolidation which is aimed at reducing the duplication, this merger exercise will inevitably reduce the number of bank branches network of different banks throughout the country which is seeking to reach the remotest rural areas of the country. Their number will go down and in the name of merger and consolidation, the nationalised banks widening branch network will get shrinked which is against the interest of rural people, rural employees. So, merger and consolidation concept, yes. Consolidation sometimes strengthens. But if we put it in Indian national economic situation, that concept does not work. We cannot have a formula thing. We just cannot put a square peg in a round hole. The present merger concept of the banking system in our country is fraught with that deficiency which cannot be for the good of the Indian economy at all. So, in that context, the general opinion that is being built up is that this kind of merger is not in the interest of the country's economy, and so, the Bank of Saurashtra's merger with the State Bank of India is just a beginning.

Other banks are still there. They are still opposing that merger exercise. So, while speaking on this occasion, we will request you to seriously consider the merger which is on a very active agenda of the Government of India at present, merger of the different nationalised banks into 4 or 5 one, to please reconsider that. That is not in the interest of the people, that is not in the interest of the banking business in our country, that is not in the interest of the national economy, which needs badly the widening access to the banking system, widening access to the credit system, and this whole concept of merger go against that concept of the banking system, So, in that spirit, I oppose the very concept of merger and hence, I oppose this Bill that has been brought to facilitate the merger of the State Bank of Saurashtra to the State Bank of India, and I also see in the same tune the entire banking sector network employees, and I again repeat, there is a total unity of all shades of trade unions who are jointly, unitedly opposing this move, and if this Government go forward in the same line, there will be further opposition, and I tell you, I put this Government on advance notice that if this continues, we will be inviting a serious turmoil in the financial system of the country. With this, I again reiterate my opposition to the Bill and conclude.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): Sir, four hon. Members of the House participated in the discussion, and they gave suggestions, made observations and also expressed their concerns. Sir, I would like to start with the hon. Members, Shri Penumalli Madhu and Mr. Tapan Kumar Sen. They doubted the merger policy and opposed the Bill also. I would like to tell them that the Indian banking sector is no longer a stranger to the phenomenon of merger and acquisition across the banks.

Since 1961, till date, there have been as many as 79 banks' amalgamations in the Indian banking system, of which 46 amalgamations took place before nationalisation of the banks, and in 1969, while the remaining 33 occurred in the post-nationalisation era, out of these 33, in 24 cases, private banks merged with public banks; in seven cases, private banks merged with private banks, and in two cases, public banks merged with public banks. I agree with Mr. Khuntia who referred to the Narasimham Committee and, also, the Indian Banking Association's Reports. They have given their Reports in support of the merger of the amalgamations.

Sir, as far as policy of the Government of India is concerned, I would like to tell them, the current policy of the Government of India on consolidation leaves the initiative for consolidation to come from the management of the banks themselves. With Government playing a supportive role as the common shareholder, no direction on consolidation is being issued by the Government and the Reserve Bank of India. The Boards of the Banks, thus, have to take a decision, in this regard, based on the synergy levels of merging or consolidating agency.

Sir, I would like to tell the Members also that the merger has some advantages also. The customers get better banking services with larger geographical coverage of branches and ATM network. Improved systems and procedures will lead to considerable economies of the scale by way of substantially reducing administrative core heads. Technological advantage will accrue to the smaller banks; that is optimal utilisation of human resources by deployment of administrative functionaries into operations, business activities.

Sir, certain concerns were also expressed by some hon. Members, Vijaykumarji, Khuntiaji and Tapan Kumar Senji, about service conditions of the merged bank employees. Here, I would like to inform them that broadly, the employees, the shareholders and the customers constitute shareholders of the banks. While examining any merger proposal, Government will keep in view the interest of all the stakeholders, including the employees of the merging banks. Suitable clauses have been incorporated in the acquisition of the State Bank of Saurashtra Order, 2008 so that the pay and

allowances or the compensation to the employees of merging entity are not altered to their disadvantage.

Sir, further, the retirement benefits of the employees are protected. The provident fund or the gratuity fund or the pension fund or any other fund of the transferor bank and any other bodies created, established or constituted, as the case may be, for the officers or the other employees shall continue with the transferee bank, and income tax or the tax exemption granted to provident fund or the gratuity fund or the pension fund or any other fund, if any, shall continue to be applied to the transferee bank. Therefore, there should no apprehension about the service conditions of the Saurashtra Bank employees. All their interests will be protected.

Sir, some other questions were also raised. One question was raised by Shri Vijaykumar Rupani that the Government should have come to the Parliament before the merger and it had come to the Parliament after the merger. Here I would like to inform the hon. Member that section 35 of the State Bank of India Act, 1955 provides the legal framework for acquisition of banking institutions, including a public sector bank, by the State Bank of India. Though the provisions of the State Bank of India Act, 1955 do not expressly so require, the scheme of acquisition of the State Bank of Saurashtra by State Bank of India was laid before both the Houses of Parliament post merger. Therefore, there is no legal infirmity in this matter.

Shri Vijaykumar Rupani and Shri Tapan Kumar Sen raised an issue whether the branches will be closed. They have some apprehensions. All branches of the Saurashtra Bank will function. No branches will be closed. On the contrary, as you know, Sir, at the time of independence there were only 5,277 branches. In 1969, before the nationalisation of banks, there were only 8,262 branches. Now, there are over 82,000 branches of the various banks in the country. Our Government believes in the financial inclusion and we will try to connect all the people in the rural areas with banks. We have an expansion policy. More and more banks will be opened in the rural areas as per the policy of financial inclusion.

Sir, I think, I have covered most of the points. I assure the hon. Members that I have noted their suggestions and I have tried to clarify their apprehensions. In the end, I would, therefore, commend that the State Bank of Saurashtra (Repeal) and the State Bank of India (Subsidiary Banks) Amendment Bill, 2009 be passed by this august House. Thank you.

SHRI TAPAN KUMAR SEN: Sir, want to seek one or two clarifications after the hon. Minister has responded. My first clarification is this. Just now he told us that it was not only the State Bank of Saurashtra merger but also the whole perception of merger that has been taken as a policy decision

by the Government. He told us that 82,000 branches were there. Can he assure this House that after the whole merger exercise, which is policy decision of this Government, of the nationalised banks, whatever is their programme, as per the Narasimhan Committee's Report, which is undertaken, that the number of branches existing as on date, that is, 82,000 branches, will not go down anywhere in the country? Will he give this assurance to the Parliament?

My second clarification is that he was talking about protecting the interests of the employees. Will you kindly assure this House that the State Bank of Saurashtra employees will be governed by the same, identical, pension scheme as the State Bank of India employees are presently getting? Protection means whatever they are getting in the State Bank of Saurashtra that may be protected, ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes, you made it clear. ...*(Interruptions)*... You made it clear. ..*(Interruptions)*

SHRI TAPAN KUMAR SEN: When they go to the State Bank of India system, they can't be disturbed. I want an assurance on that. Can you ensure that?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Mr. Minister, would you like to respond?

SHRI NAMO NARAIN MEENA: Sir, I have clarified that suitable clauses have been incorporated in the acquisition of the State Bank of Saurashtra Order, 2008 so that the pay and allowances or the compensation to the employees of the merging entity are not altered to their disadvantage. ...*(Interruptions)*... They will not be put to disadvantage. ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: That does not mean that their interests are protected. ...*(Interruptions)*... From the State Bank of Saurashtra you have gone to the State Bank of India. ...*(Interruptions)*... The erstwhile employees of the State Bank of India will continue to have better service conditions. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Mr. Sen, that is cleared. ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: Sir, dichotomy will be created. That is not protection. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): What else do you want? ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: If the Minister cannot ensure it, I do not mind. ...*(Interruptions)*... But please do not misguide the House. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): He has already said that it will not be altered to the disadvantage of the employees. It is a good assurance.

SHRT TAPAN KUMAR SEN: Anybody having understanding of the employee's service conditions cannot. ...*(Interruptions)*...

SHRI MATILAL SARKAR (Tripura): In the case of overlapping, what will he do?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The question is:

That the Bill to repeal the State Bank of Saurashtra Act, 1950 and further to amend the State Bank of India (Subsidiary Banks) Act, 1959, as passed by Lok Sabha, be taken into consideration.

The motion was adopted.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): We shall now take up Clause-by-Clause consideration of the Bill.

Clauses 2 to 11 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI NAMO NARAIN MEENA: Sir, I move:

That the Bill be passed.

The question was put and the motion was adopted.

The Payment of Gratuity (Amendment) Bill, 2009

THE MINISTER OF STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT): Mr. Vice-Chairman, Sir, I move:

That the Bill to amend the Payment of Gratuity Act, 1972, as passed by Lok Sabha, be taken into consideration.

महोदय, इस संशोधन विधेयक के माध्यम से हम दो उद्देश्य प्राप्त कर रहे हैं। पहला, employee शब्द की परिभाषा को व्यापक बनाकर शिक्षकों को इस ऐक्ट के प्रावधानों का लाभ प्राप्त हो सके, यह व्यवस्था की जा रही है। दूसरा उद्देश्य यह है कि इस प्रावधान का लाभ शिक्षकों को उस दिन से प्राप्त हो सके, जब से उनको पहले मिलती हुई gratuity का लाभ जो discontinue हुआ है, 3 अप्रैल, 1997 से वह मिल सके - ये दो उद्देश्य हैं। सर सरकार ने 3 अप्रैल 1997 को एक notification जारी करके educational institutions को Payment of Gratuity Act, 1972 में cover किया था। सुप्रीम कोर्ट द्वारा Ahmedabad Private Primary Teachers' Association *vs.* Administrative Officer and others के केस में दिनांक 13 जनवरी, 2004 को निर्णय दिया गया कि Payment of Gratuity Act, 1972 में 'employee' की परिभाषा में educational संस्थाओं के टीचर्स शामिल नहीं हैं। माननीय सर्वोच्च न्यायालय के अधिष्ठाता महोदय ने अपना निर्णय देते वक्त यह बात कही कि हमारे इस जजमेंट को misunderstand न किया जाए क्योंकि जो टीचर्स का profession है, वह बड़ा नोबल profession है इसलिए हम इस निर्णय को Legislature के ऊपर छोड़ते हैं कि वह चाहे तो उनको कवर करने के लिए कदम उठा सकती है। माननीय सर्वोच्च न्यायालय के इस निर्णय को ध्यान में रखते हुए सरकार ने निर्णय लिया कि हम Payment of Gratuity Act को amend करके अध्यापकों को भी employee वर्ड की परिभाषा में कवर करें। महोदय, यह सारा सदन इस बात को जानता है कि इस ऐक्ट में factories, mines, oilfields, plantation, ports, railway companies, shops or other establishments, जिसमें दस या दस से अधिक वर्कर्स काम करते हैं, ऐसे वर्कर्स को साढ़े तीन लाख रुपए तक ग्रेच्युटी के भुगतान का प्रावधान है।